

Seven principles for graceful exit

Overview thoughts from Rick James (Oct 2013)

Do you remember the once-popular NGO song "*We are working ourselves out of a job*"? It's been a while since I have heard it. Yet exit seems very much on NGOs' agenda today. Country offices are closing and partnerships are ending. Sadly it's rarely because they have worked themselves out of a job. More often it's a function of failure - of over-stretching, of budget cuts, of poor performance. NGOs are learning from these tough experiences, but they are not sharing much with others. This short paper tries to fill this gap by synthesising learning from key reports¹. It highlights why it is so important to exit gracefully and some lessons about how it can be done.

Exit is not all bad

All partnerships come to an end at some time. For NGOs and churches today, exit from funding relationships is an increasingly obvious fact of life. Indeed there are obvious benefits from thinking hard about exit:

- It focuses on the end goal - "If you are only here for 5-10 years what do you want to leave behind?"
- It makes you more disciplined about capacity development. As one DFID official lamented when talking about the closure of the UK aid programme to India: "*If we'd known this was going to happen we would have spent the last 15 years concentrating on capacity development, not service delivery*".
- It makes us more honest and open about reality. No partnership will last forever, yet we often behave as if it will.
- It encourages inclusive collaboration with other stakeholders, rather than tolerating dependence of one partner on another.

So the problem is not with exit itself. The problem is that exit is rarely done well - even by Christian organisations. Too many funders exit badly, leaving partners grief-stricken and paralysed. Many partners do not survive the loss. While funders may not be able to avoid exiting, there is no excuse for not doing it as well as possible.

Seven principles for more graceful exit

The reports quoted in the documents to download section include a number key principles of good practice for exit, including:

¹ [The Effective Exit: Managing the end of a funding relationship](#) (Grantcraft)
[Principles for ending developmental relationships](#) (CAFOD)
[Making achievements last: Learning from exit experiences](#) (Kvinna till Kvinna)
[Foundations moving on: Ending programmes and funding relationships](#) (Grantcraft)

1. Exit in ways that are consistent with your values

It is easy to live out your values when things are going well. But values are truly revealed in the hard times. It is in crises, that the true character of an organisation surfaces. NGOs need to take responsibility to exit in ways which are consistent with their values. I remember discussing with an NGO board about the need to let go of two projects in East Africa. Most of the board were in agreement, but one board member, who had lots of personal ties to the projects, resisted and resisted. Then someone suggested that they look at their values and see how they could exit in ways consistent with their values. The conversation changed and the board member was then able to accept the hard decision.

2. Go gradually in a planned way with agreed milestones and following open procedures

'Talk about exit from the start' is good advice. The problem is that this advice often comes too late. We are no longer at the start. But the more advance notice you can give the better. Sudden exit can be highly destructive. It is better to exit gradually. It can take at least one year and in many cases more to exit well.

This should be a carefully planned process with clear milestones. Some NGOs like CAFOD and Trocaire have developed guidelines. It helps to regularly monitor progress against these milestones to keep the process on track and also to overcome the inherent tendency to deny that exit is really happening.

3. Communicate consistently and honestly, but also listen and dialogue

An NGO has a responsibility to make decisions that enable it to better achieve its mission, even if these include exit. At this stage there may not be much point in discussing with partners whether or not they agree with exit. It is important to convey bad news consistently and clearly. It should be done in an empathetic way.

But once a decision is made, the focus should switch to the interests of the partner first and foremost. What can be done to leave them in the best shape possible for the future? Good communication in exit should be two-way. It should ensure that partners feel listened to and understood and they have a meaningful input into the process for exit (even if they cannot change the decision itself).

4. Manage the inherent emotions; sit with the pain, but also celebrate and look for hope

Exit is an unpleasant, painful process for most people. It involves a loss of funding and friendships. It raises fears about the future. Such grief and anxiety should not be swept under the carpet, but acknowledged and discussed. Yet at the same time it is also important to identify and celebrate the achievements of the relationship. It is incredibly valuable to also look for hope for the future.

5. Support partners in making up for your loss

Most exits involve a loss of funding. This can damage or even destroy a partner. Responsible exit involves assisting the partner as much as possible look for ways to make up the financial loss. This might involve creating linkages with other

fundraising and accompanying the partner as they make new relationships (it is not just about giving them a name and email). It might involve helping with a lump sum (or endowment) to give them an on-going income. It is also worth recognising that the loss may not be purely financial. It will involve a loss of relationship too.

6. **Assist partners become more organisationally sustainable with capacity development** Many NGOs fail to secure further support from other funders because they have not developed appropriate governance arrangements, do not have a focused strategy and lack the systems for accountability. It is vital to leave partners as strong as possible so they can survive without you. Capacity development should be a strong feature of any exit process.
7. **Intentionally learn from the experience**
There is considerable value in intentionally and systematically learning from experiences of countries and partners where exit has to take place. Evaluations may help highlight successes as well as share learning for replication elsewhere.

Concluding thoughts

Exit is not something we like thinking about or talking about. It is not something that international NGOs do particularly well. But by talking about exit more explicitly and planning it in from the start (or from wherever we are today), it will help us shift our focus to sustainable outcomes, rather than just activities and grant management. It will also mean that our exit processes are not as abrupt, painful and damaging as is currently the case. Rather than lagging behind, exit from partnerships should be an area where Christian NGOs lead their way - through their rigorous honesty and courage to tackle such a crucial issue.